

**PERSONNEL AND NATIONAL INFORMATION SECURITY**

**1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) policy on sensitivity designations associated with VA positions, which all have national security or public trust responsibilities, and the appropriate background investigations. It also contains policy on the management and appropriate handling of classified national security information.

**2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive sets forth the Department's policy and assigns responsibilities for the management of position sensitivity level designations and appropriate levels of background investigations required for the applicants and incumbents of such positions. The directive contains:

- a. Identification of four categories of position sensitivity and the level of investigation required based on national security or public trust responsibilities;
- b. Decentralization of responsibility for determining position sensitivity designations to Administration Heads, Assistant Secretaries, and Other Key Officials; and
- c. Assignment of the cost of background investigations to the organization requesting the investigations.

**3. RESPONSIBLE OFFICE:** Office of the Deputy Assistant Secretary for Security and Law Enforcement, Personnel Security Office.

**4. RELATED HANDBOOK:** VA Handbook 07 10, Personnel and National Information Security.

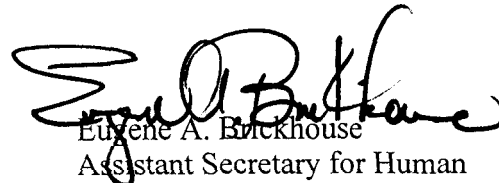
**5. RESCISSIONS:** MP-1, Part 1, Chapter 5, Change 1, Security, dated November 21, 1979, and appendix A & B thereto dated July 20, 1979.

**CERTIFIED BY:**

**BY DIRECTION OF THE  
SECRETARY OF VETERANS  
AFFAIRS:**



Acting Principal Deputy Assistant Secretary  
for Information and Technology



Eugene A. Brickhouse  
Assistant Secretary for Human  
Resources and Administration

## PERSONNEL AND NATIONAL INFORMATION SECURITY

**1. PURPOSE.** Department positions are designated either as National Security Positions or Public Trust Positions. This Directive provides Department-wide policy on:

- a. The assignment of appropriate position sensitivity designations to all Department positions to include National Security and Public Trust Positions.
- b. Background investigations for applicants and incumbents of all Department positions.
- c. The management and secure handling of classified national security information. Procedures for implementing this policy are contained in VA Handbook 0710, Personnel and National Information Security.

## 2. POLICY

a. **Designating National Security Positions.** In making national security determinations, Administration Heads, Assistant Secretaries, Other Key Officials, and Deputy Assistant Secretaries will designate all positions under their jurisdiction as Special Sensitive, Critical Sensitive, Noncritical Sensitive, or Nonsensitive. The misconduct of occupants of these positions has the potential to adversely impact national security.

b. **Designating Public Trust Positions.** Positions having public trust responsibilities will be given a sensitivity designation of High, Moderate, or Low Risk level as determined by the position's potential to adversely impact the Department.

c. **Classified Information.** Classified national security information will be properly handled and safeguarded. Each employee who has access to classified national security information is responsible for the protection of that information. Each employee who handles classified national security information will be familiar with and adhere to the provisions of Executive Order (E.O.) 12958, Classified National Security Information; E.O. 12968, Access to Classified Information; 32 CFR Part 2001, Information Security Oversight Office (ISOO) guidelines, Classified National Security Information; and VA Handbook 0710.

d. **Exemptions.** By agreement with the Office of Personnel Management, investigative requirements as set forth in E.O. 10450, Security Requirements for Government Employment, as amended, will not apply to:

(1) Consultants and experts in nonsensitive positions who are appointed for 1 year or less and not reappointed or those appointed for more than 1 year after the initial 1 year appointment period.

(2) VA appointees in nonsensitive positions whose period of employment is specifically limited to 6 months or less in the following categories: per diem, temporary, seasonal, and intermittent.

(3) Medical and dental residents appointed by VA to temporary, nonsensitive, noncareer positions, whose appointments do not exceed a year of continuous service at a VA facility, regardless of the duration of the residency program.

### 3. RESPONSIBILITIES

a. **Secretary of Veterans Affairs.** The Secretary is responsible for VA's security program. The Office of the Deputy Assistant Secretary (DAS) for Security and Law Enforcement is delegated the responsibility for implementing, managing, and overseeing the Personnel Security and the Classified National Security Information programs.

b. **The Assistant Secretary for Human Resources and Administration.** The Assistant Secretary for Human Resources and Administration, through the DAS for Security and Law Enforcement's Personnel Security Office, will ensure that:

(1) Each incumbent of a position having national security responsibilities is subject to an investigation to determine access eligibility to classified national security information.

(2) Each incumbent of a position having public trust responsibilities is subject to an investigation to determine eligibility to occupy a sensitive position.

(3) Advice, guidance, and instruction are provided to Administration Heads, Assistant Secretaries, and Other Key Officials on position sensitivity designations for their respective organizations.

(4) Classified national security information is properly handled and safeguarded.

(5) Completion of the process, adjudication, and granting or denying of security clearances, or security eligibility of applicants or incumbents is accomplished.

(6) Waiver requests for applicants to national security positions are processed, when classified information is required prior to the acquisition of the appropriate clearance, in accordance with applicable Executive orders and Federal regulations.

(7) Inspections are conducted at facilities that maintain and handle classified material to ensure compliance with Executive orders and Federal regulations.

(8) Investigations are conducted on all security violations involving classified national security information and reports are provided to the appropriate key official.

c. **Deputy Assistant Secretary for Security and Law Enforcement.** The Deputy Assistant Secretary for Security and Law Enforcement will:

(1) Develop policy and guidance for personnel and national security information within VA.

(2) Adjudicate, grant, or deny security clearances or security eligibility to applicants or incumbents in accordance with Executive orders and Federal regulations.

(3) Ensure that each employee or incumbent in a sensitive or public trust position receives the appropriate background investigation commensurate with the position's designated sensitivity level.

(4) Suspend or revoke eligibility to occupy positions designated as Special Sensitive, Critical Sensitive and/or have access to classified national security information, of all employees who are verified positive for drug use. See VA Directive 5383, VA Drug-Free Workplace Program.

(5) Process all waiver requests for applicants to national security positions.

(6) Maintain an automated database of employees who are granted or denied security clearances or security eligibility to occupy sensitive positions.

(7) Conduct investigations of all security violations involving classified national security information and provide reports of investigations to the appropriate Administration Head, Assistant Secretary, or Other Key Official.

(8) Conduct inspections at VA facilities that maintain and handle classified material to ensure compliance with pertinent Executive orders and Federal regulations.

(9) Initiate the background reinvestigation process of personnel who occupy Critical Sensitive and High Risk positions to determine if the continued employment, clearance, or assignment to sensitive duties may not be clearly consistent with interests of national security or public trust.

**d. Administration Heads, Assistant Secretaries, and Other Key Officials.**

Administration Heads, Assistant Secretaries, and Other Key Officials will ensure:

(1) Hiring and continued employment are consistent with the position's national security or public trust responsibilities;

(2) Positions with national security or public trust responsibilities are given the appropriate sensitivity designation; and

(3) Applicants/incumbents in national security or public trust positions are referred to the Personnel Security Office for appropriate investigation.

**e. Human Resources Management (HRM) Officer.** The HRM Officer will:

(1) Oversee the sensitivity designation process to ensure that position sensitivity designations are consistently applied to all positions, in accordance with 5 CFR Part 731, Suitability, and 5 CFR Part 732; National Security Positions; and

(2) Ensure that the HRM Specialists with responsibility for and authority to make position sensitivity designations complete a training course in Position Sensitivity Designation.

**f. Human Resources Management Specialist.** The HRM Specialist with responsibility for and authority to make position sensitivity designations will:

- (1) Ensure that the appropriate sensitivity designation is assigned to all positions; and
- (2) Ensure that position sensitivity designations are periodically reviewed.

g. **VA Employees.** Each employee who has access to classified national security information will:

- (1) Protect classified national security information.
- (2) Adhere to the provision of E.O.12958, E.O. 12968, and VA Handbook 0710.

**4. COST OF SECURITY INVESTIGATIONS.** The cost of all national security or public trust-related background investigations will be borne by the organization requesting the investigation.

## **5. REFERENCES**

- a. Executive Order 10450, Security Requirements for Government Employment, as amended
- b. Executive Order 12958, Classified National Security Information
- c. Executive Order 12968, Access to Classified Information
- d. MP-5, Part II, Chapter 9, Separations
- e. Title 5, CFR Parts 731, 732, and 736, Suitability; National Security Positions; and Personnel Investigations, respectively
- f. Title 5, U.S.C. §4107, Restrictions on degree of training
- g. Title 5, CFR §7311, Loyalty and striking
- h. Title 5, CFR §7532, Suspension and removal
- i. Title 18, CFR §793, Gathering, transmitting, or losing defense information
- j. Title 32, CFR Part 2001, Classified National Security Information
- k. Title 50, U.S.C. Chapter 15, National Security, Subchapter VI, Access to Classified Information
- l. VA Directive 5383, VA Drug-Free Workplace Program

## 6. DEFINITIONS

a. **Access.** The ability and opportunity to obtain knowledge of classified national security information.

b. **Adverse Action.** Removal from employment, suspension from employment of more than 14 days, reduction in grade, reduction in pay, or furlough of 30 days or less.

c. **Background Investigation (BI).** Conducted by the Office of Personnel Management (OPM), this investigation covers a 10 year period and is used for High Risk positions. It is comprised of a review of National Agency Check (NAC) records; a credit report; an interview with the subject, spouse, neighbors, supervisor, co-workers; and a verification of the educational degree.

d. **Classified National Security Information** (hereafter "classified information"). Information that has been determined pursuant to E.O. 12958 or any predecessor order to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form.

e. **Confidential.** Information of which unauthorized disclosure could reasonably be expected to cause damage to the national security.

f. **Critical Sensitive.** Potential for exceptionally grave damage to the national security.

g. **Custodian.** An individual who receives national classified security information.

h. **Derivative Classification.** Derivative classification consists of incorporating, paraphrasing, restating or generating, in new form, information that is already classified, and marking the newly developed material consistent with the classification markings that apply to the source information. Derivative classification includes the classification of information based on classification guidance.

i. **Derivative Classifier.** A derivative classifier is a person who generates classified information from information already classified.

j. **For Official Use Only.** A determination made by an authorized holder of Sensitive Information that a prospective recipient requires access to specific Sensitive Information in order to perform or assist in a lawful and authorized governmental function.

k. **High Risk.** Positions that have the potential for exceptionally serious impact involving duties that are critical to VA or a program mission of VA with broad scope, policy, or program authority. High Risk positions equate to Critical Sensitive for the purpose of completing Optional Form (OF) 8, Position Description.

l. **Information.** Any knowledge that can be communicated or documentary material, regardless of its physical form or characteristics, that is owned by, produced by or for, or is under

the control of the United States Government. Control means the authority of the agency that originates information, or its successor in function, to regulate access to the information.

m. **Limited Background Investigation (LBI).** Conducted by OPM, this investigation covers a period of 3 years and is used for Noncritical Sensitive positions. It is comprised of a review of National Agency Check (NAC) records; a credit report; an interview with the subject, neighbors, supervisor, and a verification of the educational degree.

n. **Low Risk.** Positions with potential for impact involving duties of limited relation to the VA mission or efficiency of the service. Low Risk positions equate to nonsensitive positions for purposes of completing the OF 8.

o. **Minimum Background Investigation (MBI).** Conducted by OPM, this investigation covers a 5 year period and is used for Moderate Risk positions. It is comprised of a review of National Agency Check (NAC) records; a credit report; an interview with the subject, supervisor, and a verification of the educational degree.

p. **Moderate Risk.** Positions that have potential for moderate to serious impact involving duties of considerable importance to VA or a program mission of VA with significant program responsibilities and delivery of customer services to the public. Moderate Risk positions equate to Noncritical Sensitive for the purpose of completing OF 8.

q. **National Agency Check (NAC).** Conducted by OPM, this investigation covers a review of only current records in the OPM Security Investigation Index (SII) and the Defense Central Investigations Index (DCII); a credit report; and an FBI fingerprint check. It is used for Nonsensitive or Low Risk positions.

r. **National Agency Check with Written Inquiries (NACI).** Conducted by OPM, this investigation covers a period of 5 years and consists of a review of National Agency Check (NAC) records; an FBI fingerprint check; and written inquiries to previous employers and references listed on the job application. It is used for nonsensitive positions.

s. **National Security.** The national defense or foreign relations of the United States.

t. **Need for Access.** A determination that an employee requires access to a particular level of classified information in order to perform or assist in a lawful and authorized governmental function.

u. **Need-to-Know.** A determination made by a possessor of classified information that a prospective recipient, in the interest of national security, has a requirement for access to, knowledge of, or possession of the classified information in order to perform tasks or services essential to the fulfillment of an official United States Government program. Knowledge, possession of, or access to classified information shall not be afforded to any individual solely by virtue of the individual's office, position, or security clearance.

v. **Noncritical Sensitive.** Potential for some damage to serious damage to the national security.

- w. **Nonsensitive.** A position that does not require access to classified information.
- x. **Original Classification.** An initial determination that information requires, in the interest of national security, protection against unauthorized disclosure.
- y. **Original Classification Authority.** An individual authorized in writing, by the President, agency heads, or other officials designated by the President, to classify information in the first instance. VA has no original classification authority.
- z. **Personnel Investigation.** An investigation covering reputation, suitability, loyalty, qualifications, and other pertinent factors, conducted by personal contact, written inquiry, letter, or electronic linkage with the sources of information.
- aa. **Potential Impact.** The degree to which the incumbent could impair VA's mission by violating the confidentiality or integrity of medical, financial, or other sensitive information.
- bb. **Public Trust.** Public expectations that government officials will execute the public's business in accordance with all appropriate laws and regulations.
- cc. **Secret.** Information, the unauthorized disclosure of which, could reasonably be expected to cause serious damage to the national security.
- dd. **Security Clearance.** A determination that a person is eligible for access to classified information.
- ee. **Sensitive Information.** Any information of which the loss, misuse, or unauthorized access to or modification of could adversely affect the national interest or the conduct of Federal programs, or the privacy to which individuals are entitled under 5 U.S.C. §552a (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.
- ff. **Sensitive Position.** Position that may require access to or knowledge of sensitive information or classified information.
- gg. **Sensitivity Designation.** The rating system that determines Department and program placement based on general risk level criteria.
- hh. **Single Scope Background Investigation (SSBI).** This background investigation covers a 10-year period and is used for Special Sensitive and Critical Sensitive positions. It is comprised of a review of National Agency Check (NAC) records; a credit report; an FBI fingerprint check; an interview of the subject; a spouse/cohabitant NAC excluding an FBI fingerprint check; and verification of citizenship or legal status for foreign-born immediate family members.
- ii. **Special Sensitive.** Includes any position which the Secretary determines to be in a level higher than critical sensitive because of access to intelligence-related information.
- jj. **Top Secret.** Information of which the unauthorized disclosure could reasonably be expected to cause exceptionally grave damage to the national security.



